Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 VIENNA 07704 01 OF 03 241018Z
ACTION OES-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
PM-05 ACDA-07 CIAE-00 INR-07 IO-13 L-03 NSAE-00
NSC-05 EB-08 NRC-05 FEAE-00 DODE-00 SS-15 SP-02
/130 W
----------030749 241146Z /12
R 231657Z AUG 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3027
INFO AMEMBASSY BELGRADE
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY MEXICO
AMEMBASSY KUALA LUMPUR
USERDA HQ WASHDC
USERDA HQ GERMANTOWN

C O N F I D E N T I A L SECTION 1 OF 3 VIENNA 7704

USIAEA

EO 11652: GDS
TAGS: IAEA, TECH, EC, ENRG, PARM, MNUC
SUBJ: IMPLEMENTATION OF NEW U.S. -NON-PROLIFERATION POLICIES

REF: STATE 189926 (NOTAL)

1. MISSION APPRECIATES DETAILS RE IMPLEMENTATION OF NEW U.S. NON-PROLIFERATION POLICIES PROVIDED REFTEL AND WELCOMES OPPORTUNITY TO EXPLORE POSSIBLE ALTERNATIVES WITH AGENCY AND PROVIDE OUR VIEWS.

2. AS DEPT HAS RECOGNIZED, ALL THREE ALTERNATIVES PROPOSED REFTEL WOULD REQUIRE BOARD OF GOVERNORS (BG) APPROVAL. UNDER THE ALTERNATIVE PROPOSED IN PARA 6 REFTEL, BG APPROVAL WOULD BE REQUIRED FOR EACH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 07704 01 OF 03 241018Z

INDIVIDUAL PROPOSED COMMITMENT TO SUPPLY. UNDER THE ALTERNATIVES PROPOSED IN PARAS 5 AND 7, ANY SUBSE-QUENT IMPLEMENTING ACTIONS (EXCEPT FOR CASES INVOLVING SMALL QUANTITIES OF SPECIAL NUCLEAR MATERIAL) WOULD ALSO REQUIRE BG APPROVAL IN THE FORM OF PROJECT/ SUPPLY AGREEMENTS REQUIRED BY AGENCY STATUTE FOR EACH INDIVIDUAL PROJECT AND PROPOSED COMMITMENT TO

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

SUPPLY. THUS, THERE WOULD BE ESSENTIALLY BE LITTLE OR NO RPT NO DIFFERENCE UNDER ANY OF THE ALTERNATIVES, AS FAR AS EXPOSURE TO THE BOARD IS CONCERNED, WITH RESPECT TO FUTURE TRANSACTIONS.

3. REFTEL IS NOT RPT NOT CLEAR AS TO WHETHER WE ALSO WILL BE REQUIRED TO SEEK SIMILAR COMMITMENT TO "RENEGOTIATE OR OTHERWISE AGREE" WITH RESPECT TO NUCLEAR MATERIALS AND EQUIPMENT PREVIOUSLY SUPPLIED TO OR THROUGH IAEA, NOR WHETHER THE REVISED U.S.-IAEA AGREEMENT FOR COOPERATION CONTEMPLATED WOULD APPLY RETROACTIVELY TO SUCH PREVIOUS SUPPLIES. IF THIS IS THE INTENTION, WE BELIEVE PROPOSED ALTERNATIVE IN PARA 7 REFTEL WOULD CLEARLY BE PREFERABLE WITH RESPECT TO PREVIOUS SUPPLIES. BUT THIS WOULD NOT RPT NOT OBVIATE THE NEED FOR SUBSEQUENT AND CONTINUED BG ACTIONS FOR PROPOSED FUTURE SUPPLIES.

4. WHICHEVER APPROACH TAKEN WILL NOT RPT NOT BE EASY. KEY AGENCY LEGAL DIVISION STAFF CLEARLY PREFER EARLY ACTION ON AMENDMENT TO U.S. -IAEA AGREEMENT FOR COOPERATION, SINCE THIS APPARENTLY WILL EVENTUALLY BE REQUIRED IN ANY EVENT AND IT IS THE BASIC UNDERLYING INSTRUMENT GOVERNING U.S. SUPPLIES TO OR THROUGH IAEA. THEY ADMIT THE POSSIBILITY OF DIFFICULTIES, BUT THEY THINK THESE COULD BE OVERCOME. ONCE CONFIDENTIAL

AN AMENDMENT IS APPROVED BY BG, MOREOVER, THEN EVERY OTHER RELEVANT TRANSACTION WOULD FLOW FROM THAT SINGLE ACTION AND CHANCES OF FUTURE BG DIFFICULTIES WOULD BE LESSENED CONSIDERABLY. THIS COMES CLOSER TO THE ONE-TIME EXPOSURE CONCEPT SUGGESTED PARA 8 REFTEL, ALTHOUGH THERE WOULD STILL BE A NEED FOR BG APPROVAL (HOPEFULLY PRO FORMA) OF SUBSEQUENT INDIVIDUAL PROJECT/SUPPLY AGREEMENTS. (IF PREVIOUS SUPPLIES ALSO HAVE TO BE COVERED, AS NOTED PARA 3 ABOVE, THIS COULD BE TAKEN CARE OF AT THE SAME TIME, INCLUDING BG APPROVAL OF A PROPOSED IMPLEMENTING MODEL PROTOCOL.)

5. MISSION IS INCLINED TO FAVOR A MODIFIED APPROACH, HOWEVER, COMBINING ELEMENTS OF ALL THREE ALTERNATIVES PROPOSED PARAS 5, 6 AND 7 REFTEL. FIRST WE SUGGEST MOVING EXPEDITIOUSLY TO OBTAIN BG APPROVAL OF AN AGREEMENT ALONG THE LINES OF THE PROPOSED U.S./IAEA/MEXICO TRILATERAL PROJECT AND SUPPLY

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

NNN

CONFIDENTIAL

PAGE 01 VIENNA 07704 02 OF 03 241124Z
ACTION OES-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
PM-05 ACDA-07 CIAE-00 INR-07 IO-13 L-03 NSAE-00
NSC-05 EB-08 NRC-05 FEAE-00 DODE-00 SS-15 SP-02
/130 W
----------031512 241146Z /10
R 231657Z AUG 7
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3028

INFO AMEMBASSY BELGRADE
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY MEXICO
AMEMBASSY KUALA LUMPUR
USERDA HQ WASHDC
USERDA HQ GERMANTOWN

C O N F I D E N T I A L SECTION 2 OF 3 VIENNA 7704

USIAEA

E.O. 11652: GDS
TAGS IAEA, TECH, EC, ENRG, PARM, MNUC
SUBJECT: IMPLEMENTATION OF NEW U.S.-NON-PROLIDERATION POLICIES

REF: STATE 189926 (NOTAL)

1. MISSION APPRECIATES DETAILS RE IMPLEMENTATION OF NEW U.S. NON-PROLIFERATION POLICIES PROVIDED REFTEL AND WELCOMES OPPORTUNITY TO EXPLORE POSSIBLE ALTERNATIVES WITH AGENCY AND PROVIDE OUR VIEWS.

2. AS DEPT HAS RECOGNIZED, ALL THREE ALTERNATIVES PROPOSED REFTEL WOULD REQUIRE BOARD OF GOVERNORS (BC) APPROVALM UNDER THE ALTERNATIVE PROPOSED IN PARA 6
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 07704 02 OF 03 241124Z

REFTEL, BE APPROVAL WOULD BE REQUIRED FOR EACH INFIVIEDUAL PROPOSED COMMITMENT TO SUPPLY. UNDER THE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

AGREEMENT FOR THE OREGON STATE UNIVERSITY RESEARCH
REACTOR AND FUEL BEING GIVEN TO MEXICO. THIS AGREEMENT CONTAINS
ALL THE BASIC INGREDIENTS MENTIONED REFTEL AND WE BELIEVE
BG APPROVAL OF IT WOULD CONSTITUTE AN IMPORTANT
PRECENDENT. IF WE COULD GET MORE THAN ONE SUCH
AGREEMENT APPOVED, SO MUCH THE BETTER. FYI. WE
THINK CHANCES OF GETTING MALAYSIA TO AGREE TO ALL
THE NOVEL PROVISIONS IN THIS KIND OF AGREEMENT ARE
MUCH HIGHER THAN IN HE CASE OF MEXICO. BELIEVE
THIS SHOULD ALSO BE TAKEN INTO ACCOUNT IN RECONSIDERING
WHETHER OR NOT TO PERMIT SUPPLY OF TRIGA RESEARCH
REACTOR TO MALAYSIA THROUGH IAEA, AS WE RECOMMENDED
IN VIENNNA 6712. A FAVORABLE DECISION ON THIS BE
THE U.S. WOULD VERY LIKELY BE CONSIDERED BY MALAYSIA
IN TRMS WHICH WULD ENCOURAGE SWIFT AND FAVORABLE
ACTION ON THEIR PART IN RETURN. FURTHER, IST SHOULD
BE BORNE IN MIND THAT MALAYIA WILL QUITE POSSIBLY
OCCUPY THE IMPROTANT AND INFLUENTIAL POST OF CHAIRMAN
OF THE NEXT BG, WHICH SHOULD SUBSTANTIALLY ENHANCE
PROSPECTS OF OBTAINING BG APPROVAL OF SUCH AN
AGREEMENT, AS WELLL AS POSSIBLY REDUCING DIFFICULTIES
IN CONNECTION WITH SUBSEQUENT BT CONSIDERATION OF
AMENDMENT TO U.S.- IAEA AGREEMENT FOR COOPERATION.
END FYI. WE SUGGEST THE BEBRUARY 1978 BG MEETING
AS THE TARGET FOR OBTAINING BG APPROVAL OF ONE OR
MORE OF THESE TRILATERAL PROJECT AND SUPPLY AGREE-
MENTS.

6. HAVING ESTABLISHED THE PRECEDENT OF OBTAINING
BG APPROVAL OF THE ADDITIONAL NON-PROLIFERATION

CONFIDENTIAL

CONFIDENTIAL

CONTROLS INVOLVED, WE THINK THIS WOULD FACILITATE
OBTAINING SUBSEQUENT BG APPROVAL OF AN AMEMDMENT
TO THE U.S.- IAEA AGREEMENT FOR COOPERATION CONTAINING
ESSENTIALLY THE SAME KEY REQUIREMENTS. WE RECOGNIZE
PROCESS OF AMENDING U.S.-IAEA AGREEMENT FOR
COOPERATION WILL BE TIME CONSUMING, BUT, ASSUMING
NEW U.S. NON-PROLIFERATION LEGISLATION IS ENACTED

BEFORE END OF THIS YEAR, WE BELIEVE IT WOULD BE
REASONABLE TO AIM FOR SUBMISSION OF PROPOSED
AMENDME T TO JUNE 1978 BG MEETING, WHCIH MEANS
THAT FINAL AGREEMENT ON TEXT WOULD HVE TO BE
REACHED BY EARLY MAY 197(. IN THIS CONNECTION, WE
SUGGEST THAT NEGOTIATIONS OF SUCH AN AMENDMENT BE
INITIATED IMMEDIATELY UPON ENACTMENT OF THE NEW
LEGISLATIO. THIS WOULD HAVE THE ADDFED
ADVANTAGE OF PLACING THE IAEA IN FULL COMPLIANCE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

WITH THE ANTICIPATED PROVISOION IN THE NEW LEGISLATION REGARDING A COMMITMENT TO RENEGOTIATE THE AGREEMENT FOR COOPERATION, WHICH WOULD ENABLE NRC TO CONTRINUE ISSUING EXPROT LICENSES, AS MENTIONED PARA 2 REFTEL.

7. IF PREVIOUS SUPPLIES WOULD ALSO HAVE TO BE DEALT WITH, AS MENTIONED PARA 3 ABOVE, AN APPROPRIATE DOCUMENT WITH A MODEL PROTOCOAL COULD BE SUBMITTED TO BG FOR APPROVAL AT THE SAME TIME AS THE AMENDMENT TO THE AGREEMENT FOR COOPERATION.

8. MISSION ALSO BELIEVES THAT AN ADDITIONAL INGREDIENT WHICH WOULD SIGNIFICANTLY ENHANCE ACHIEVEMENT OF OUR OBJECTIVE WOULD BE TO OFFER SOME CONVINCING EVIDENCE THAT THE U.S. INTENDS TO CONTTINUE ITS USPPLY OF NUCLEAR MATERIALS AND REACTORS FOR PEACEFUL NUCLEAR PROGRAMS THROUGH IAEA AS WELL AS BILATERALLY TO NATIONS WHICH SHARE OUR NON-PORLIFERATION POLICIES. WE BELIEVE INCLUSION
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 VIENNA 07704 02 OF 03 241124Z

OF IAEA AS A VEHICLE FOR ARRANGING FOR SUCH SUPPLIES IS FULLY CONSISTENT WITH THE STATEMENT OF PURPOSE OF THE PROPOSED NON-PROLIFERATION ACT. SINCE THE VARIOUS VERSIONS OF THE LATTER PLACE SO MUCH RELIANCE ON THE GCONTINUED EXISTENCE OF IAEA AND ON IAEA SAFEGUARDS, WE BELIEVE IT IS

FUNDAMENTALLY INCONSISTENT FOR THE U.S. TO TAKE ACTIONS WHICH EFFECTIVELY STRIP THE IAEA OF SOME OF ITS STATUTORY SUPPLY FUNCTIONS, WHICH WE THINK TENDS TO UNDERMINE CONFIDENCE IN THE IAEA,

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 VIENNA 07704 03 OF 03 241131Z
ACTION OES-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-10
PM-05 ACDA-07 CIAE-00 INR-07 IO-13 L-03 NSAE-00
NSC-05 EB-08 NRC-05 FEAE-00 DODE-00 SS-15 SP-02
/130 W

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

----------031557 241145Z /12
R 231657Z AUG 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3029
INFO AMEMBASSY BELGRADE
AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMEMBASSY MEXICO
AMEMBASSY KUALA LUMPUR
USERDA HQ WASHDC
USERDA HQ GERMANTOWN

C O N F I D E N T I A L SECTION 3 OF 3 VIENNA 7704

USIAEA

INCLUDING ITS IMPORTANT SAFEGUARDS FUNCTIONS.

9. MISSON WOULD APPRECIATE FURTHER CLARIFICATION ON FOLLOWING POINTS MENTIONED REFTEL, SINCE WE ARE NOT RPT NOT SURE WE HAVE A CORRECT UNDERSTANDING OF THEM.

A. WE ARE PUZZLED BY PHRASE"...EITHER FROM THE AGENCY OR FROM ANY INDIVIDUAL MEMBER..." ETC., IN SECOND SENTENCE OF PARA 2 REFTEL, SINCE IT IS NPT RPT NOT CLEAR TO US HOW AN INDIVIDUAL MEMBER CAN GIVE A COMMITMENT TO RENEGOTIATE AN AGREEMENT TO WHICH IT IS NOT RPT NOT A PARTY. IF "RENEGOTIATE THE AGREEMENT" REFERS TO A SPECIFIC SUPPLY AGREE-MENT UNDER WHICH THE DELIVERIES HAD NOT RPT NOT YET
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 07704 03 OF 03 241131Z

TAKEN PLACE, THE AGENCY WOULD ALSO NECESSARILY HAVE TO BE INVOLVED, SINCE IT IS A PARTY TO THAT SUPPLY AGREEMENT. IF IT IS INTENDED TO OBTAIN CERTAIN COMMITMENTS BILATERALLY WITH THE MEMBER STATE CONCERNED WITH RESPECT TO SUPPLIES THROUGH THE AGENCY WITHOUT THE AGENCY BEING PARTY TO OR AT LEAST INFORMED ABOUT SUCH COMMITMENTS, WILL THERE BE A NEED TO VERIFY COMPLIANCE WITH THOSE COMMITMENTS? IF SO, WHO IS GOING TO DO IT, E.G., NO RPT NO RETRANSFERS WITHOUT U.S. APPROVAL? WE ASSUME AGENCY WOULD NOT RPT NOT BE CONCERNED, HOWEVER, IF, AS SUGGESTED PARA 9 REFTEL, U.S. ALTERNATIVELY SEEKS AGREEMENT WITH INDIVIDUAL NATIONS, SO LONG AS NO RPT NO ADDITIONAL OBLIGATIONS ARE PLACED ON IAEA WITHOUT ITS CONSENT.

B. DOES U.S. INTENT TO ATTEMPT TO APPLY ITS NEW

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

POLICIES RETROACTIVELY TO MATERIALS AND FACILITIES
PREVIOUSLY SUPPLIED THROUGH IAEA?

C. REFERENCE IN LAST SENTENCE PARA 9 REFTEL TO
"EARLY RESOLUTION OF THIS MATTER" IN CONTEXT OF
IMMINENT TRANSFER OF HEU FUEL FOR ROMANIA'S
RESEARCH REACTOR (SCHEDULED FOR SEPTEMBER) IS NOT
RPT NOT CLEAR. WHAT SPECIFICALLY IS MEANT BY
"THIS MATTER" IN THIS CASE? A COMMITMENT BY IAEA
TO RENEGOTIATE THE U.S.-IAEA AGREEMENT FOR
COPERATION? A COMMITMENT BY ROMANIA AND THE IAEA
TO RENGEGOTIATE THE RELEVANT SUPPLY AGREEMENT?
ACCEPTANCE IN ADVANCE BY ROMANIA TO THE NEW
CONDITIONS BEFORE ISSUANCE OF THE EXPORT LICENSE?
WHATEVER DEPT AND OTHERS IN WASHINGTON MAY HAVE IN
MIND, ANY ACTION BY THE SEPTEMBER BG ON THESE ISSUES
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 07704 03 OF 03 241131Z

WILL BE EXTREMELY DIFFICULT IF NOT RPT NOT IMPOSSIBLE
AT THIS STAGE, SINCE THERE IS TOO LITTLE TIME LEFT
FOR TRANSLATING, PRINTING AND DISTRIBUTION OF BG
DOCUMENTS FOR SEPTEMBER MEETING.

10. MISSION SUGGESTS REFTEL ALSO BE REPEATED TO
KUALA LUMPUR FOR INFO.

11. MISSION IS INTERESTED IN LEARNING EEACTIONS
TO OUR PROPOSED APPROACH PER PARAS 5-7 ABOVE.
PLEASE ADVISE. STONE

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, NUCLEAR PROLIFERATION
Control Number: n/a
Copy: SINGLE
Sent Date: 23-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VIENNA07704
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770305-0818
Format: TEL
From: VIENNA USIAEA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770831/aaaaazxu.tel
Line Count: 365
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 54b8de55-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 7
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 189926
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1510196
Secure: OPEN
Status: NATIVE
Subject: IMPLEMENTATION OF NEW U.S. -NON-PROLIFERATION POLICIES
TAGS: TECH, ENRG, PARM, MNUC, US, IAEA, EEC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/54b8de55-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009